



# **AFRICAN AMERICAN CULTURAL CENTER LONG BEACH**

## **Preliminary Institutional Business Plan**

August 20, 2019

Presented by Lord Cultural Resources



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An abstract, colorful pattern with wavy, pixelated lines in shades of red, orange, green, and blue, resembling a digital or woven texture, located at the top of the slide.

# **1 PROCESS OVERVIEW**

# PROCESS OVERVIEW

**PHASE 1:**  
Community  
Engagement



**PHASE 2:**  
Business Plan



**PHASE 3:**  
Capital Cost and  
Projections

- Contextual Analysis
- Best Practice Research and Market Analyses
- Vision Workshop

- Assumptions
- Order of Magnitude Capital Cost Estimate
- Operating Revenue and Expense Projections





# 2

## CONTEXT FOR THE AFRICAN AMERICAN CULTURAL CENTER LONG BEACH

# LONG BEACH IN CONTEXT

## RESIDENT MARKET: OVERVIEW



### Long Beach

- 469,793

### Orange County

- 3.17 million

### Los Angeles- Long Beach- Anaheim MSA

- 13.2 Million

### State of California

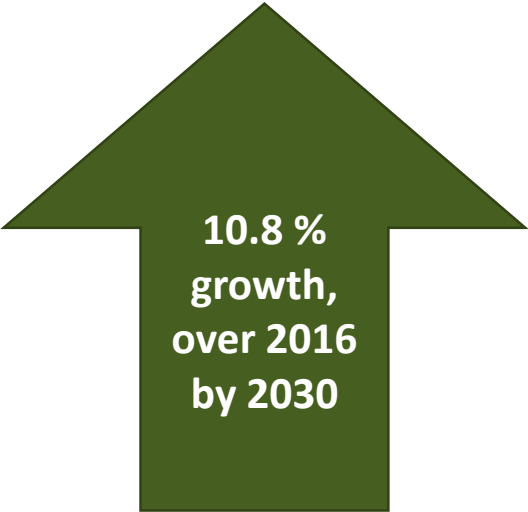
- 38.6 Million

# LONG BEACH IN CONTEXT

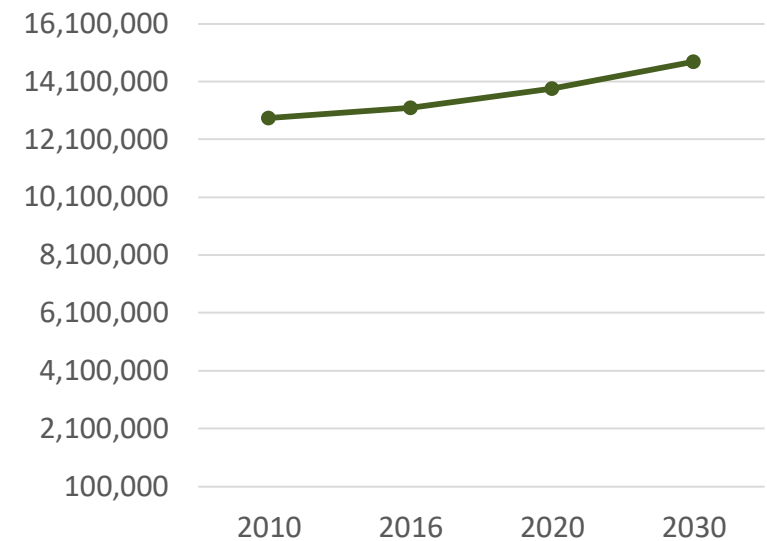
## RESIDENT MARKET: GROWTH

- Growth for the Los Angeles- Long Beach- Anaheim MSA is projected to reach 10.8% by 2030:

- 2010: 12,844,370
- 2016: 13,189,366
- 2020: 13,848,170
- 2030: 14,780,820



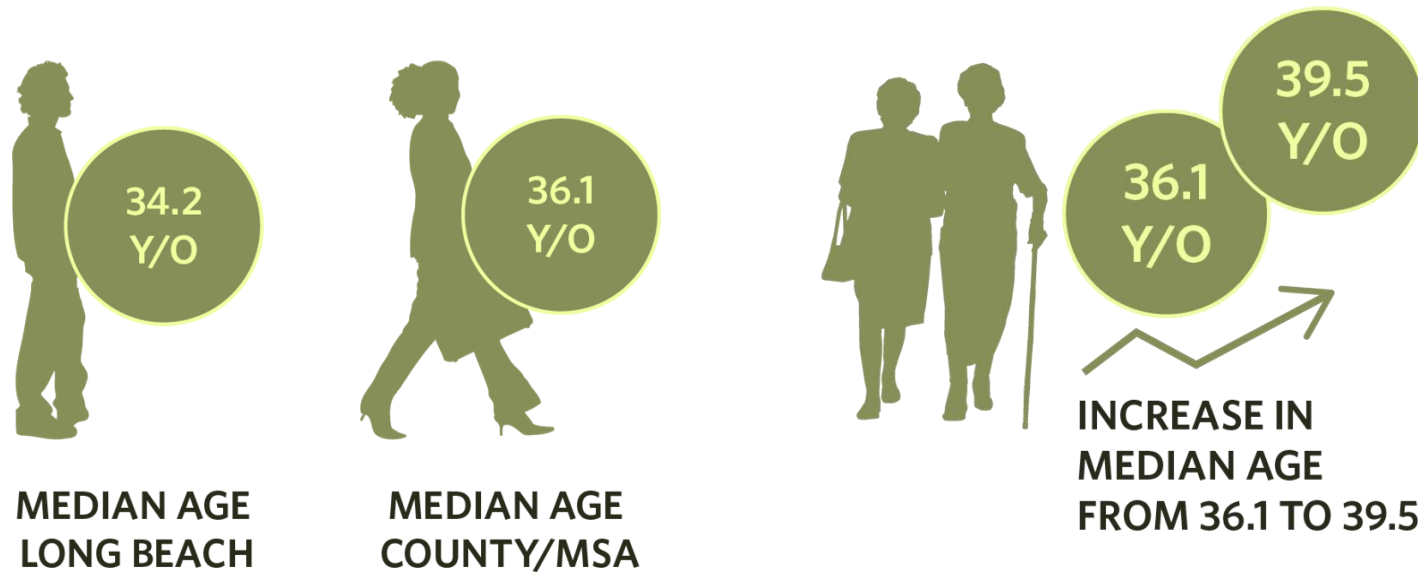
10.8 %  
growth,  
over 2016  
by 2030



# LONG BEACH IN CONTEXT

## RESIDENT MARKET: AGE

- Long Beach's median age is younger than the MSA, State and Country.
- MSA is projected to get older



# LONG BEACH IN CONTEXT

## RESIDENT MARKET: ETHNICITY

- The MSA has a more diverse population with significantly larger Hispanic populations
- However, Long Beach has a much higher African American/Black population
- And a much higher Native American population



13% Long Beach

6.7% MSA

AFRICAN AMERICAN/BLACK POPULATION



42.4% Long Beach

45.0% MSA

HISPANIC POPULATION



1.2% Long Beach

0.6% MSA

NATIVE AMERICAN POPULATION



# LONG BEACH IN CONTEXT

## RESIDENT MARKET: EDUCATION & INCOME



EDUCATION

Long Beach: 29.5% with BA or higher

MSA: 32.6% with BA or higher

*Source: US Census, 2016 ACS 5-Year Population Estimate*



MEDIAN HOUSEHOLD INCOME

Long Beach: \$55,151

MSA: \$62,216

*Source: US Census, 2016 ACS 5-Year Population Estimate*



Long Beach: 133,329

MSA: 3,597,487

*Source: Population 3 years and over enrolled in school, US Census, 2016 ACS 5-Year Population Estimate*

# LONG BEACH IN CONTEXT

## TOURIST MARKET: OVERVIEW



345 days of sunshine per year



11.5 miles of sandy beaches,  
inland waterways and bays



500,000 cruise  
passengers per year



7.2 million visitors to Long Beach's  
major attractions, fairs and festivals



\$300 million in economic impact  
through overnight visitors



7<sup>th</sup> largest city in California

# REGIONAL BENCHMARKS

PROGRAMS	Laguna Art Museum	OCMA	The Huntington	Hammer Museum	Bowers Museum	MOLAA
Temporary Exhibitions	X	X	X	X	X	X
Educational Programs	X	X	X	X	X	X
Guided Tours	X	X	X	X	X	X
Lectures	X	X	X	X	X	X
Gallery Talks	X	X	X	X	X	X
Performing Arts	X	X		X	X	X
Film & Video Programs	X			X	X	X
Family Programs	X	X	X		X	
Members Only Events	X	X	X	X	X	X
Docent Program	X	X	X		X	X
Workshops / Classes			X		X	X
Fellows / Artist Residencies			X	X	X	
Scholarships					X	X
Summer Camp	X		X		X	X
Arts & Nature	X					

# REGIONAL BENCHMARKS

REVENUE	Laguna Art Museum	OCMA	The Huntington	Hammer Museum	Bowers Museum	MOLAA	MOCA
Admission and membership fees	\$ 275,704.00	\$ 289,296.00	\$ 13,923,567.00	\$ 297,443.00	\$ 558,320.00	\$ 250,944.00	\$ 619,046.00
Bookstore sales / Sales	\$ 54,198.00			\$ 572,483.00		\$ 79,776.00	
Program Service Revenue					\$ 1,595,289.00	\$ 145,344.00	\$ 2,457,547.00
Contributions / Gifts	\$ 1,556,786.00			\$ 48,954,181.00	\$ 1,073,520.00		\$ 12,676,947.00
Contributions from related parties			\$ 35,028,069.00	\$ 2,419,555.00			
Government Grants					\$ 1,456,630.00		\$ 81,300.00
Investment Income	\$ 7,718.00		\$ 13,396,557.00				
Interest and dividend income, net				\$ 4,243,420.00			
Gain on sale of real estate purchase option / Interest Rate Swap				\$ 11,109,790.00			
Rental Property Income	\$ 16,995.00	\$ 146,304.00					
Auxiliary Income							
Touring Exhibitions		\$ 33,792.00					
Endowment Draw		\$ 501,691.00				\$ 1,550,000.00	
Other income	\$ 18,821.00			\$ 1,661,006.00	\$ 1,524,113.00		\$ 1,020,403.00
Net revenue from special events	\$ 411,590.00			\$ 1,839,542.00		\$ 153,641.00	\$ 3,214,249.00
Total Revenue		\$ 971,083.00				\$ 2,179,705.00	
Support						\$ 2,234,725.00	
Total revenues and support	\$ 2,341,812.00	\$ 4,453,203.00	\$ 62,348,193.00	\$ 71,097,420.00	\$ 6,207,872.00	\$ 4,414,430.00	\$ 20,069,492.00
Earned Revenue	\$ 329,902.00	\$ 971,083.00	\$ 13,923,567.00	\$ 4,370,474.00	\$ 2,153,609.00	\$ 476,064.00	\$ 6,290,842.00
Earned Revenue % of Total	14%	22%	22%	6%	35%	11%	31%

# REGIONAL BENCHMARKS

EXPENSES	Laguna Art Museum	OCMA	The Huntington	Hammer Museum	Bowers Museum	MOLAA	MOCA
Total program services		\$ 3,322,901.00	\$ 49,941,670.00	\$ 18,414,984.00	\$ 3,837,872.00	\$ 2,795,353.00	\$ 13,797,892.00
Exhibitions and programs				\$ 13,725,457.00			
Curatorial							
Education				\$ 4,689,527.00			
Marketing and Communication							
Operations and Public Service							
Property and Deferred Maintenance							
Depreciation Expense							
Revenue Bond interest and Cost							
Auxiliary Activities							
Total support services		\$ 946,975.00	\$ 12,766,860.00	\$ 5,405,792.00			
Management and General	\$ 823,381.00			\$ 2,530,889.00	\$ 1,224,632.00	\$ 877,719.00	\$ 4,196,381.00
Executive Compensation	\$ 211,150.00						
Development							
Fundraising				\$ 2,874,903.00	\$ 302,874.00	\$ 305,308.00	\$ 2,009,834.00
Cost of goods sold				\$ 304,262.00			
Art acquisitions				\$ 1,643,348.00			
Costs of Sales and Auxiliary Services			\$ 4,858,396.00				
Total Expenses	\$ 2,058,175.00	\$ 4,269,876.00	\$ 67,566,926.00	\$ 25,768,386.00	\$ 5,365,378.00	\$ 3,978,380.00	\$ 20,004,107.00
Staffing %	50%	36%	19%	41%	23%	22%	21%
2016 or 2017 990 - Staffing **				\$ 9,193,039.00			
2016 or 2017 Total Expenses **				\$ 22,422,159.00			





# **3 CULTURAL MARKETPLACE REALITIES**



# EVOLUTION OF THE AFRICAN AMERICAN MUSEUM

Over 800 museums and related centers in the U.S. dedicated to interpreting the experience of people of African descent. There have been three generations of such museums:

**1860 - 1920**

## Educational Spaces

Black museums began as educational spaces

- Hampton University Curiosities Room
- New York librarian Arturo Schomburg's collection

**1965 - 1989**

## Social Service Conduits

Emerged mid-century for empowerment of growing black & urban populations, reinforcing the value of black communities, instilling pride in black youth, and sustaining black history, culture, and art.

- DuSable Museum in Chicago
- Charles H. Wright Museum in Detroit

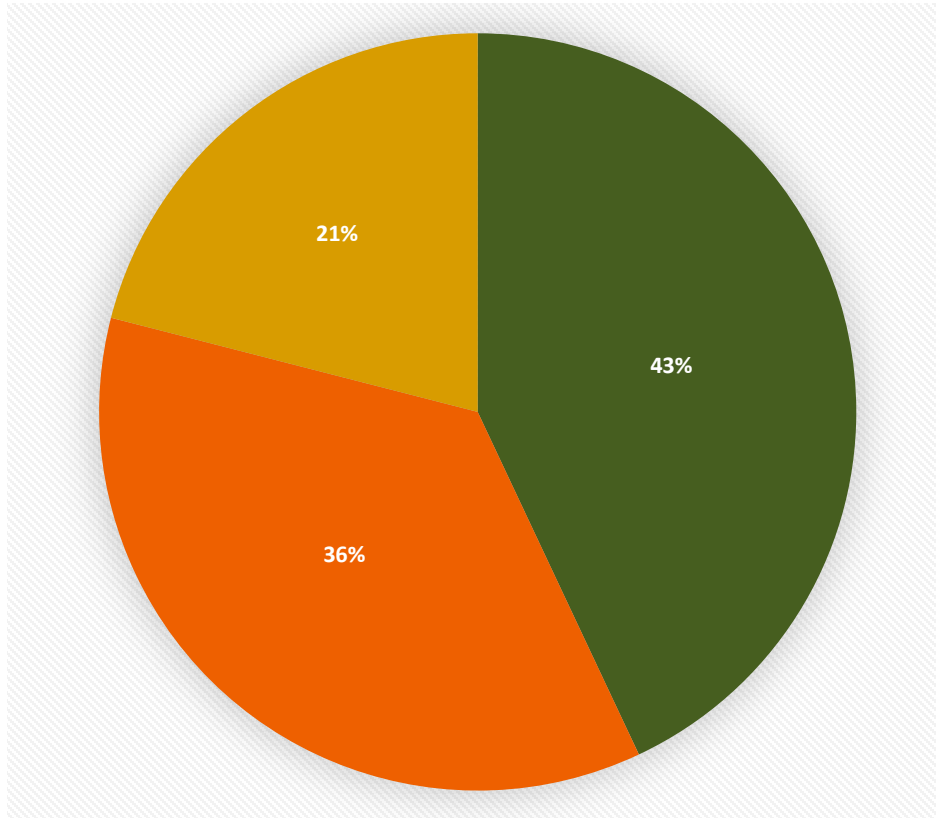
**1990 - present**

## Purpose-Built Facilities

Today museums commemorate the success of the black civil rights movement, celebrate success, and share stories of struggle

- Occupy purpose-built facilities,
- Attract tourists
- National Civil Rights Museum at Lorraine Motel
- Birmingham Civil Rights Institute across from Kelly Ingram Park and the 16th Street Baptist Church.

# BENCHMARKS



- According to last comprehensive survey of Association of African American Museums, the average sources of operating income for African American Museums is:

- 43% private/endowment
- 36% earned
- 21% from government sources

# AFRICAN AMERICAN BENCHMARKS

Museum/Location	Year Opened	Admission Charges	Reported Attendance	Operating Schedule	Staffing	Operating Revenue	Operating Expenses	Gross Square Ft.
National Museum of African American History and Culture, Washington D.C.	2016	Free	1,500,000	Monday-Sunday- 10:00-5:30	FT-163	N/A	\$41,300,000	300,000
Museum of African American History, Boston MA	1966	Adults-\$10 Seniors and Students-\$8 Children 12 and Under-Free	230,000	Monday-Saturday- 10-4	FT-8, PT7, PTV-1	\$2,106,375	\$1,889,851	N/A
National Civil Rights Museum at the Lorraine Motel, Memphis TN	1992	Adults-\$15 Seniors and Students-\$14 Childer 4-17- \$12	200,000	Wed-Sunday 9-5	Unknown	\$10,856,268	\$7,762,097	52,000
Birmingham Civil Rights Institute, Birmingham AL	1992	Adults- \$15 Students- \$6 Seniors, Grades 4-12 outside Jefferson County- \$5 Jefferson County Children- Free	145,000	Tues-Sat 11-5 Sunday 1-5	FT-22, PT-4, PTV-1000	\$2,222,995	\$2,896,930	58,000

# AFRICAN AMERICAN BENCHMARKS

Museum/Location	Year Opened	Admission Charges	Reported Attendance	Operating Schedule	Staffing	Operating Revenue	Operating Expenses	Gross Square Ft.
<b>Muhammad Ali Center, Louisville KY</b>	1997	Adults- \$9 Seniors-\$8 Students- \$5 Children 6-12- \$4	135,000	Tuesday-Saturday- 9:30-5 Sunday 12-5	Unknown	\$3,972,580	\$5,544,505	135,000
<b>Dusable Museum of African-American History, Chicago IL</b>	1961	Adults- \$10 Seniors and Students- \$7 Children 6-11- \$3	100,000	Tuesday-Saturday 10-5 Sunday 12-5	FT-23, PT-21, PTV-40	\$3,425,094	\$4,110,263	52,000
<b>National Underground Railroad Freedom Center, Cincinnati OH</b>	2004	Adults- \$15 Seniors- \$13 Children 3-12- \$10.50	100,000	Tues-Sat 11-5 Wednesday: 5pm-7pm Members Only Thurs-Friday: 12-9 Saturday: 10-6 Sunday 12-6	Unknown	\$5,518,043	\$6,698,871	158,000
<b>The Studio Museum in Harlem, New York NY</b>	1967	Adults- \$7 Children under 12- Free Seniors and Students- \$3	90,830		FT-42, PT-8	\$7,100,072	\$6,351,044	72,000



# AFRICAN AMERICAN BENCHMARKS

Museum/Location	Year Opened	Admission Charges	Reported Attendance	Operating Schedule	Staffing	Operating Revenue	Operating Expenses	Gross Square Ft.
Reginald F. Lewis Maryland Museum of African American History and Culture, Baltimore MD	1998	Adults- \$8 Senior and Youth 7-17- \$6	85,000	Wednesday-Saturday 10-5 3rd Thursday each month 10-8 Sunday 12-5	FT-18	N/A	\$2,935,257	82,000
Museum of the African Diaspora, San Francisco CA	2005	Adults- \$10 Seniors and Students-\$5 Children under 12- Free	85,000	Wednesday-Saturday 11-6 Sunday 12-5	Unknown	\$2,340,698	\$2,365,388	20,000
Negro Leagues Baseball Museum, Kansas City MO	1990	Adult- \$10 Seniors- \$9 Children-\$6 Student- \$4 per Active military and children under 6 years of age- Free	68,000	Tuesday-Saturday 9 -6 Sunday 12-6	FT-10, PT-1	N/A	N/A	N/A
<b>Average</b>			248,985			\$4,692,766	\$8,185,421	103,222
<b>Median</b>			100,000			\$3,698,837	\$4,827,384	72,000
<b>Median (excluding NMAAHC)</b>			100,000			\$3,698,837	\$4,110,263	65,000
Source: 2017 Online Official Museum Directory, Individual Institution Websites, GuideStar								

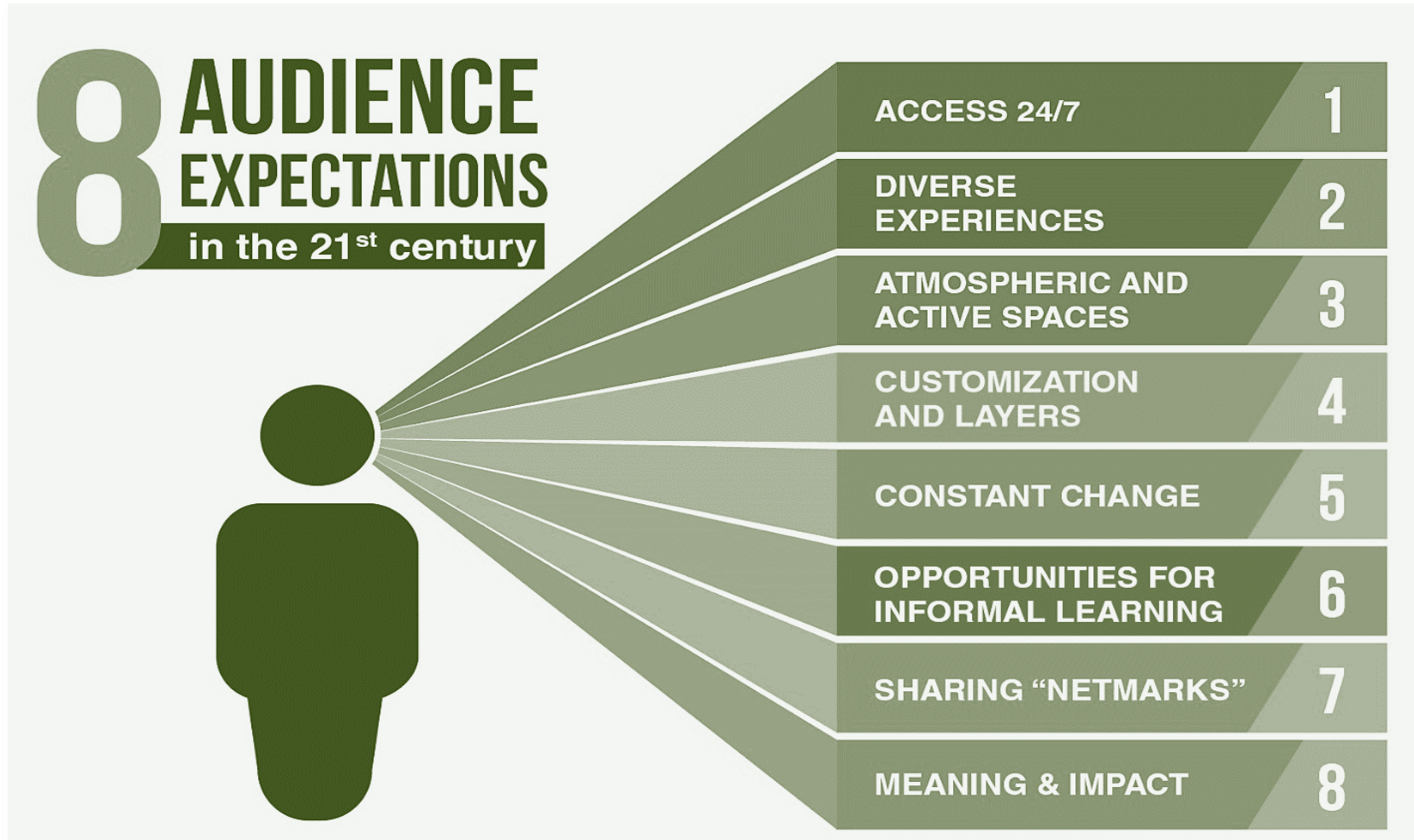


# AFRICAN AMERICAN MUSEUMS..

- **Small and underfunded:** half of facilities are less than 5,000 sq. ft., have three or less full-time employees, and annual operating budgets of under \$200,000.
- **Offer gift shops/stores:** only 40% of African American organizations did not have a gift shop/store.
- **More likely to offer free admission:** 53% offered free admission while 47% charged admission.
- **Closed to the public on Sundays and/or Mondays:** only 34% were open on Sundays, 46% on Mondays.
- **Relatively low attendance levels:** About half reported attendance levels of less than 10,000. Only about 10% reported at least 100,000 annual visitors.
- **Small operating budgets:** Only 14% had operating budgets of \$1 million or more.
- **Rarely have endowments:** Only 17% had any endowment at all, and only 6% had an endowment of \$500,000 or more.

*Source: the Association of African American Museums (AAAM) 2008 comprehensive survey*

# TODAY'S CULTURAL VISITOR



# OVERALL MUSEUM MARKET

Realities of the Museums Marketplace	Art Museum	History Museum or Historical Society	Specialized Museum	Overall 2009 Survey
Sample Size	156	190	73	671
Attendance	44,878	10,000	22,000	26,500
Adult Admission Charge	\$8.00	\$5.00	\$7.00	\$7.00
Operating Income	\$2,379,176	\$260,000	\$602,080	\$1,168,559
Sources of Operating Revenues				
Earned Income as % Total	21.5%	24.0%	33.2%	27.6%
Private Donations %	46.6%	31.0%	37.7%	36.5%
Investment Sources %	18.6%	8.5%	9.3%	11.5%
Government Sources %	13.3%	36.4%	19.9%	24.4%
Endowment	\$9,744,500	\$526,500	\$2,526,508	\$2,825,075
Sources of Operating Expenses				
Operating Expenses	\$2,317,675	\$262,206	\$778,859	\$1,166,000
Staff Salaries as a % of Total Expenses	48.6%	50.8%	39.9%	49.9%
Collections Care as a % of Total Expenses	6.4%	8.5%	10.0%	8.0%
Marketing Budget as a % of Total Expenses	4.4%	2.2%	4.0%	4.1%
Staffing				
Full-time Staff	15	2	5	7
Part-time Staff	9	2	4	5
Staff FTEs	20	3	7	10





# **4 BEST PRACTICE RESEARCH OUTCOMES**





# BEST PRACTICE RESEARCH OUTCOMES

- Beacon Municipal Center, Decatur, GA
- California African American Museum (CAAM), Los Angeles, CA
- August Wilson African American Cultural Center, Pittsburgh, PA
- International African American Museum, Charleston, SC



# **BEACON MUNICIPAL CENTER**

**Decatur, GA**

# BEACON MUNICIPAL CENTER

## Relevance

- Environment: City of Decatur has a population of 27,842 (2010 census), where 42% of the population identify as African American, and 52% identify as white. (2017 American Community survey)
- Community Engagement: the municipal center holds community and public spaces, including a library and gymnasium to connect with the local public.





# BEACON MUNICIPAL CENTER

## Overview

**LOCATION:** Decatur, Georgia

**FOUNDED:** 2015

**FACILITY:** Totaling 84,377 square feet, includes

- a new 35,000 square foot building which houses police headquarters and municipal courts,
- the preservation of 20,000 square feet of the historic 1950's school library and gymnasium for city youth programs, and
- the adaptive reuse of 25,000 square foot of former classroom space as an incubator for non-profit groups and local artists

**COLLECTION:** Heritage exhibits

**BOARD SIZE:** N/A

**STAFF SIZE:** N/A

**TOTAL ATTENDANCE:** N/A

**HOURS:** N/A

**ADMISSION:** Always free

**FINANCIALS:** N/A





# BEACON MUNICIPAL CENTER

## Funding Sources

As the building is run by the municipality, funding is mostly provided by the government, offset by some earned income and rental revenue.



# BEACON MUNICIPAL CENTER

## Facilities

- Site was home to Decatur's segregated African American public schools – Herring Street School, Beacon Elementary, and Trinity High School
- Much of the 33,000 square foot property is a recreation center, with the existing gym, library and school building as a “living museum.”
- The original building facades facing the adjacent neighborhood corner were preserved while creating a new gym at the street level.
- A courtyard offering children a sheltered and private place to gather, play, and learn.
- A basketball court and gymnasium.



# BEACON MUNICIPAL CENTER

## Programs



- Heritage exhibits throughout the complex.
- Open houses and tours.
- Community events, performances, and movies on the lawn.
- After school and weekend programs
- Incubator space for non-profit groups and local artists.
- "Sidewalk Saturdays"



# **CALIFORNIA AFRICAN AMERICAN MUSEUM**

**Los Angeles, CA**



# CALIFORNIA AFRICAN AMERICAN MUSEUM

## Relevance

- Environment: Los Angeles has a population of 3,792,621 (2010 census), where 9% of the population identify as African American, 45% identify as minority races, and 52% identify as white. (2017 American Community survey)
- Located in LA's Exposition Park.
- Community Engagement: actively participates in the local community through family programs, art-making, tours, and genealogy workshops. They are particularly focused on creating programs for under-represented communities.





# CALIFORNIA AFRICAN AMERICAN MUSEUM

## Overview

**LOCATION:** Los Angeles

**FOUNDED:** 1977

**SIZE:** 44,000-square-foot facility

**MISSION:** To support the work of under-represented artists of color and to think expansively about the way African American artists have contributed to American culture and the world at large.

**MANDATE:** To research, collect, preserve, and interpret for public enrichment the history, art, and culture of African Americans with an emphasis on California and the western United States.

**COLLECTION:** 4,000 objects in permanent collection

**BOARD SIZE:** 6

**STAFF SIZE:** 14

**TOTAL ATTENDANCE:** N/A

**HOURS:** Tuesday – Saturday: 10 am – 5 pm, Sunday: 11 am – 5 pm

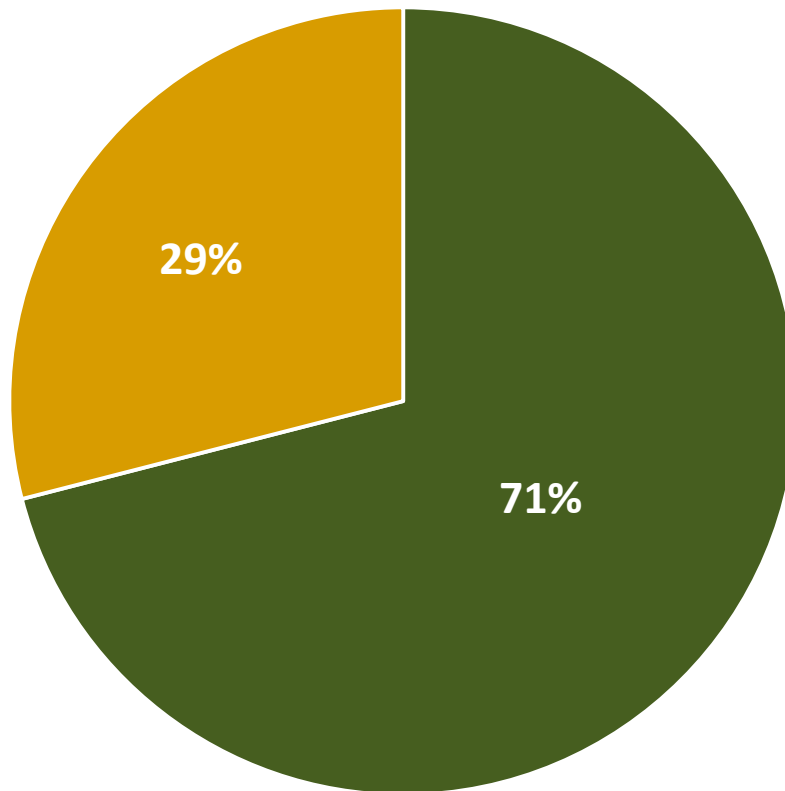
**ADMISSION:** Always free; parking is \$12

**FINANCIALS:** Operating budget of \$3.5 million per year



# CALIFORNIA AFRICAN AMERICAN MUSEUM

## Funding Sources



■ \$2.5 million in Government funding & grants

■ \$1 million in private funding, rental income, and earned income from "Friends of CAAM Foundation"

Total operating budget of \$3.5 million per year

Source:

[latimes.com/entertainment/arts/culture/la-et-cm-california-african-american-museum-charmaine-jefferson-director-20140717-story.html](http://latimes.com/entertainment/arts/culture/la-et-cm-california-african-american-museum-charmaine-jefferson-director-20140717-story.html)

# CALIFORNIA AFRICAN AMERICAN MUSEUM

## Facilities

- A 13,000-square-foot grand lobby with glass ceilings
- A multipurpose 3,000-square-foot conference center
- A café
- A research library
- An extensive outdoor patio area
- Part of the 160-acre site “Exposition Park,” that includes The California Science Center, The Natural History Museum, The Exposition Park Rose Garden, Lucas Museum of Narrative Art (in progress), The Los Angeles Memorial Coliseum, and the Banc of California Stadium.





# CALIFORNIA AFRICAN AMERICAN MUSEUM

## Programs

- Traveling exhibitions
- Talks and workshops
- Docent-led collection tours
- After-hours museum summer nights
- Children's crafts
- Needle-work, sketching, collage and zine-making workshops
- Heritage/community days
- Genealogy workshops
- Art poetry and performances
- Film screenings
- Queensfest 2019 (educating, entertaining, and empowering young creative women of color)





# **AUGUST WILSON AFRICAN AMERICAN CULTURAL CENTER**

**Pittsburgh, PA**



# AUGUST WILSON CENTER

## Relevance

- Environment: Pittsburgh has a population of 305,704 (2010 census), where 24% of the population identify as African American, and 67% identify as white. (2017 American Community survey)
- Part of the Pittsburgh Cultural District.
- Community Engagement: hosts the public through extensive community programming, art-making, and discussions on race, within dynamic exhibition and educational spaces.







# AUGUST WILSON CENTER

## Overview

**LOCATION:** Pittsburgh, PA

**FOUNDED:** 2009

**SIZE:** 65,000 square feet

**MISSION:** To be a home for the arts, storytelling, learning and exchange around the African American experience and the rich culture of the African diaspora, guided by the enduring truths and essential values evident in the work of playwright August Wilson.

**COLLECTION:** Only temporary exhibitions

**BOARD SIZE:** 9

**STAFF SIZE:** 27

**TOTAL ATTENDANCE:** 75,000 in 2018

**GALLERY HOURS:** Wednesday, Thursday: 11 am - 6 pm;  
Friday, Saturday: 11 am - 8 pm; Sunday: 12 pm - 5 pm

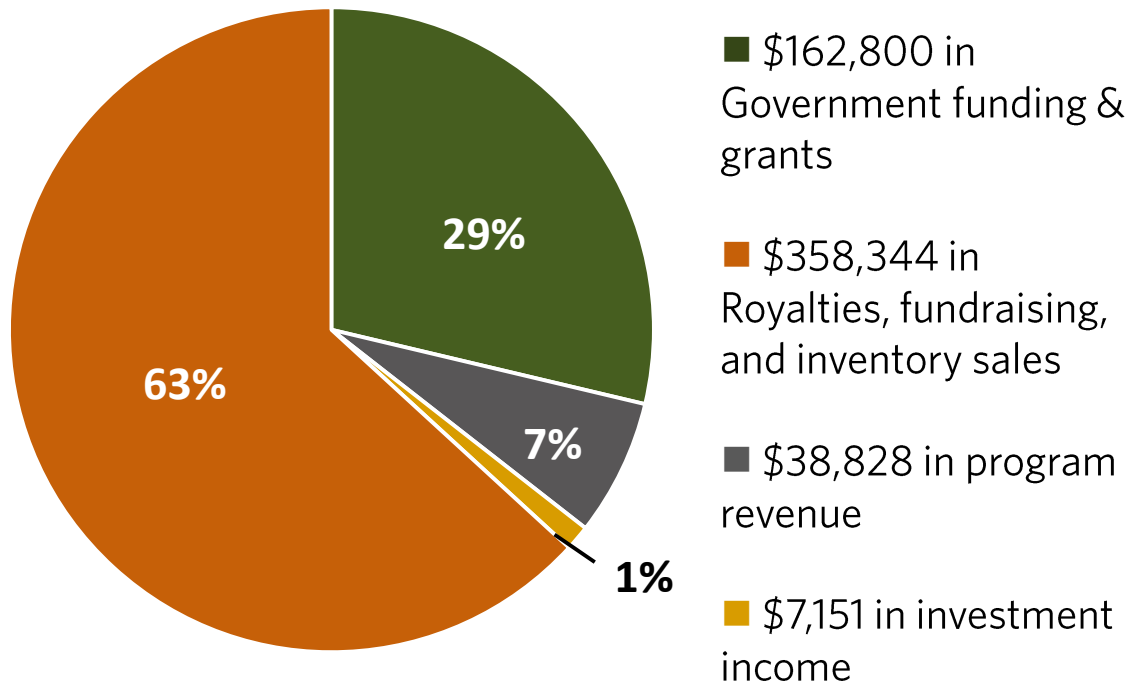
**ADMISSION:** Galleries are always free; performances and events tickets are based on the performing group.

**FINANCIALS:** In 2014, the Center faced bankruptcy, mortgage default and foreclosure. The center was then purchased by a nonprofit consortium consisting of The Pittsburgh Foundation, The Heinz Endowments and the Richard King Mellon Foundation. Had an operating budget of \$2.3 million in 2017.

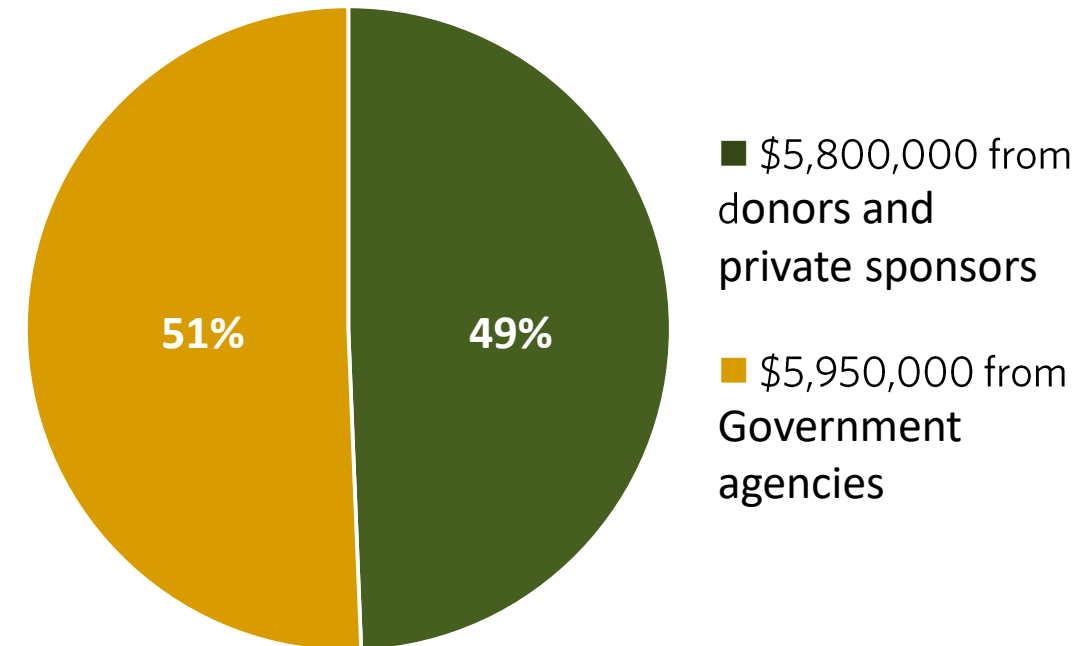
# AUGUST WILSON CENTER

## Funding Sources

2014: Total revenue of \$567,123



2015: Funds received to revitalize center



Sources: Guidestar- AWC-AAC 990 completed in 2015;  
[post-gazette.com/business/2014/11/05/Dollar-Bank-sells-August-Wilson-Center-to-three-Pittsburgh-foundations/stories/201411050250](http://post-gazette.com/business/2014/11/05/Dollar-Bank-sells-August-Wilson-Center-to-three-Pittsburgh-foundations/stories/201411050250)

# AUGUST WILSON CENTER

## Facilities

- Building holds three gallery spaces, a 486-seat performance theater, an education center, and spaces for community programs and events.
- No on-site parking but many parking options in the neighbourhood
- Part of the Pittsburgh Cultural District: 14 blocks of multiple theaters, art galleries, public art projects, urban parks and riverfront recreation spaces. Once a red light district, the Cultural District today attracts over 2,000,000 visitors annually generating an estimated economic impact of \$303 million.





# AUGUST WILSON CENTER

## Programs

- Exhibitions and receptions
- Theater performances
- Artist talks and workshops
- Art-making
- Community programs
- Panel discussions on race
- Poetry and writing workshops
- Book signings
- Youth summer camps
- Concerts and performances (including the Pittsburgh International Jazz Festival)





# **INTERNATIONAL AFRICAN AMERICAN MUSEUM**

**Charleston, SC**



# INTERNATIONAL AFRICAN AMERICAN MUSEUM

## Relevance

- Environment: Charleston has a population of 120,083 (2010 census), where 22% of the population identify as African American, and 74% identify as white. (2017 American Community survey)
- Community Engagement: The site is a combination of public spaces (including many outdoor spaces that can be activated) and exhibition spaces where audiences can participate, including a Center for Family History where visitors can trace their family history.





# INTERNATIONAL AFRICAN AMERICAN MUSEUM

## Overview

**LOCATION:** Charleston, South Carolina

**FOUNDED:** Projected to open doors in 2021

**SIZE:** 33,500 square feet

**MISSION:** To illuminate the influential histories of Africans and their descendants in South Carolina, highlighting their diasporic connections throughout the nation and the world.

**MANDATE:** To commemorate and celebrate the foundational role that Africans and their descendants played in the making of America.

**COLLECTION:** TBD

**BOARD SIZE:** 33

**STAFF SIZE:** 8 (before building opening)

**TOTAL ATTENDANCE:** N/A

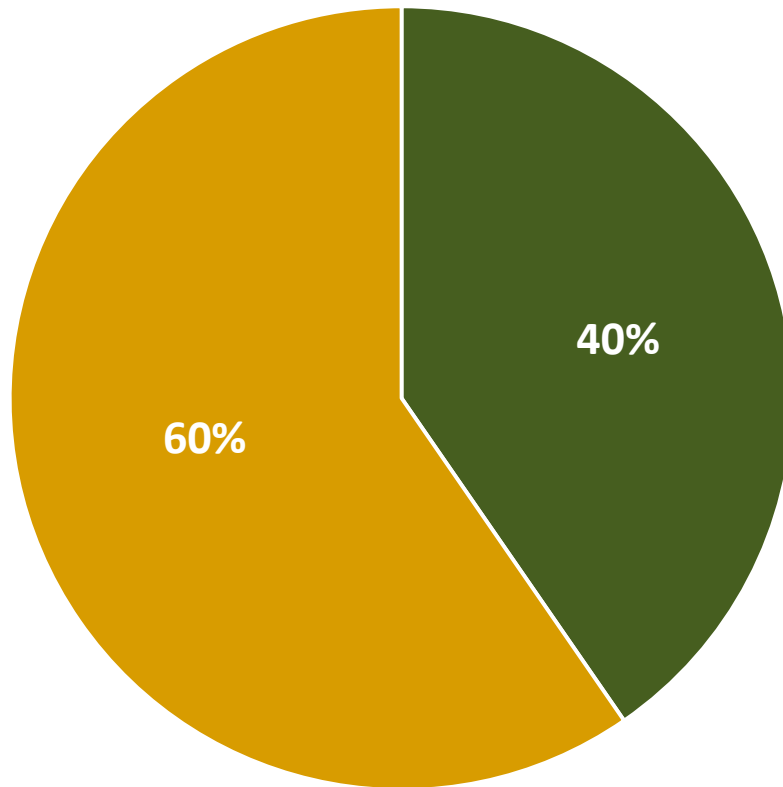
**HOURS:** TBD

**ADMISSION:** TBD

**FINANCIALS:** projected \$5.2 million for opening year

# INTERNATIONAL AFRICAN AMERICAN MUSEUM

## Funding Sources



■ projected Government funding, private contributed income, endowments

■ projected earned income (admissions, memberships, programs, rentals)

**CONFIDENTIAL?**



# INTERNATIONAL AFRICAN AMERICAN MUSEUM

## Facilities

- Building holds various gallery spaces
- Center for Family History including Story Booth
- Social Justice Lab (home to changing exhibits)
- Orientation Theater
- Also includes studio spaces, a café, two public balconies, gift shop
- Outdoor spaces include a Memorial Garden, boardwalk, palm grove, stele terrace, and sweetgrass field

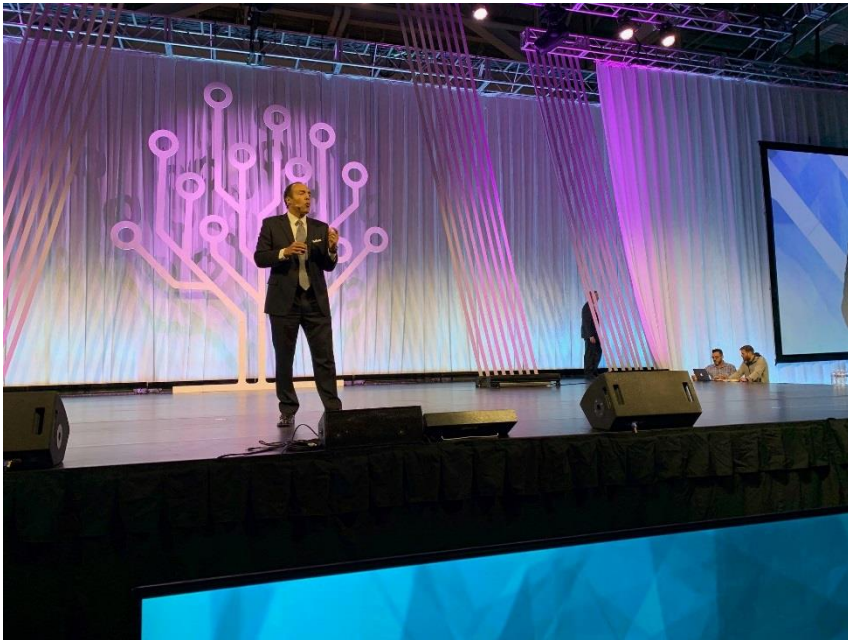




# INTERNATIONAL AFRICAN AMERICAN MUSEUM

## Programs

- Permanent historical exhibitions (Atlantic Connections Gallery)
- Temporary exhibitions
- Film screenings
- Community events
- "Studio Time" workshops
- Lectures and performances
- Dialogue sessions and workshops
- ...More TBD





# SUMMARY OF BENCHMARKS

Institution	Opened	Size	Board Size	Staff Size	Yearly Attendance	Admission Cost	Annual Operating Budget
Beacon	2015	84,377 square feet	N/A	N/A	N/A	Free	N/A
CAAM	1977	44,000 square feet	6	14	N/A	Free	\$3.5 million
August Wilson	2009	65,000 square feet	9	27	75,000	Free	\$2.3 million
IAAM	2021	33,500 square feet	33	8	N/A	TBD	N/A



# **5 KEY OPERATING ASSUMPTIONS**



# DRAFT MISSION STATEMENT

**“Our mission is to celebrate, cultivate, and advance the enrichment of the heritage and culture of the Black/African American community in Long Beach and beyond.”**



# KEY OPERATING ASSUMPTIONS

- More than a “museum”— a “cultural center” with a variety of programs and offerings
- “Mission-driven” institution but an emphasis on financial sustainability and some revenue generating efforts. Lean HR structure and support from volunteers.
- The exhibits and programs should focus on the African experience in Africa, America and in Long Beach. They should also honor African Americans who have made contributions to the arts, sciences and society. Exhibits should also display African and African American arts, crafts and music.





# KEY OPERATING ASSUMPTIONS

## Target Audience

- The Southern California region with an emphasis on the greater Long Beach community and beyond
- This cultural center could serve as a central location for strengthening the community as a whole, *educating, creating, entertaining, celebrating, reflecting*, serving as an economic generator and cultural destination for people of all ages, cultures, and backgrounds
- Potential partners include LBUSD, Long Beach City College, CSULB, Long Beach Public Library, and other regional cultural, city and community organizations



# KEY OPERATING ASSUMPTIONS

## Potential Visitor Services or Roles

- Cultural programs and activities for learning and enjoyment
- Preserving and communicating the diverse history of Long Beach and beyond
- A platform to expand civic engagement and provide a safe haven for the community
- A “connector” to other initiatives, institutions and networking opportunities
- A “convener”— place to gather and interact



# KEY OPERATING ASSUMPTIONS

## Potential Types of Cultural Programs

- Permanent exhibitions
- Temporary exhibitions
- Performances
- Dance classes
- Health and wellness
- Workshops and Lectures
- Educational learning opportunities/school field trips
- Professional training/certification
- Research facility
- Space for artists – revenue stream
- Sports & entertainment
- Satellite sites

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# KEY OPERATING ASSUMPTIONS

## Facility

- A target size of approx. 40,000 sqf (gross)
- FLEXIBLE
- Including performance space
- Including a resource center
- Including an exhibition/expo space
- Indoor + outdoor spaces



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# KEY OPERATING ASSUMPTIONS

## Willingness to pay

- The majority of the people would be willing to pay up to \$10 for entry
- Many would like for it to have an annual membership
- Sponsored admission strategy — e.g., free once per week/month or for visitor type (seniors, students, etc.)



# **ORGANIZATIONAL MODEL & STAFFING**



# AACC ORGANIZATIONAL MODEL

## FTE\* Levels Projected

- Based on benchmarks\*\* from comparables, for a facility of 40,000 sqf and a dynamic program, approximately 17 FTEs would be required
- An additional pool of 100+ volunteers is recommended to supplement staffing functions, especially to help facilitate events and activities

\* FTE stands for Full Time Equivalent = 40hr per week employee

\*\* Comparables have on average 2,381 sqf for every FTE that they employ

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# AACC ORGANIZATIONAL MODEL

## Functional Areas

Lean and versatile HR structure, supported by a volunteer network

## Key Roles Recommended (TBD)

- Director
- Programming Coordinator
- Exhibitions Curator
- Collections Manager
- Marketing/Development Specialist(s)
- IT/AV Specialist
- Facilities Manager - operations, maintenance, security, grounds, etc.



# ORGANIZATIONAL MODEL

## Visitor Centricity

- Functions planned with the Visitor Experience in mind
- The different functions work together in an iterative way to ensure that the visitor receives a consistent and “user-friendly” experience from beginning to end
- Interdisciplinary teams rather than separate departments are recommended



# AACC STAFFING SUMMARY

Staffing Costs				
		Year 1	Year 2	Year 3
Average Salary as per benchmarks	\$56,000	100%	103%	106%
Estimated FTEs required	17	\$952,000	\$980,560	\$1,009,120
<b>TOTAL</b>		<b>\$952,000</b>	<b>\$980,561</b>	<b>\$1,009,121</b>
Average Benefits (28%)		\$266,560	\$274,557	\$282,554
<b>Total Salaries, Wages and Benefits</b>		<b>\$1,218,560</b>	<b>\$1,255,118</b>	<b>\$1,291,675</b>

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# **6 ATTENDANCE AND FINANCIAL PROJECTIONS**

# AACC ATTENDANCE PROJECTIONS

<b>AACC Attendance Projections</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Projected Total Attendance (rounded)</b>				<b>62,000</b>	<b>57,000</b>	<b>60,000</b>
<b>Attendance by Main Segment</b>						
Long Beach Residents	70%	80%	80%	43,400	45,600	48,000
Non Residents	30%	20%	20%	18,600	11,400	12,000
Total	100%	100%	100%	62,000	57,000	60,000
<b>Attendance by Ticket Category</b>						
Adult (25-61)	35%	35%	35%	21,700	19,950	21,000
Senior (62+)	20%	20%	20%	12,400	11,400	12,000
Youth (13-24)	20%	20%	20%	12,400	11,400	12,000
Child (6-12)	10%	10%	10%	6,200	5,700	6,000
School Groups (unpaid, per person)	15%	15%	15%	9,300	8,550	9,000
<b>Total Attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>62,000</b>	<b>57,000</b>	<b>60,000</b>



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# AACC ATTENDANCE PROJECTIONS

## Attendance Considerations

- Year 3 after opening is considered “Steady State” — when operations stabilize, so does attendance
- Attendance projections are very hard to estimate without detailed information on the size of the facility, the location and the programs on offer, at this stage. For this reason, we have conservatively projected **60,000 visitors by Year 3**. An optimistic projection would be on the 100,000+ visitors range, based on benchmarks
- If AACC is able to outperform this projection the financials are likely to improve (although note that more visitors also require more personnel)



# AACC FINANCIAL PROJECTIONS

## Main Revenue and Expense Categories

Table summarizes the main revenue and expense categories observed in comparable institutions and their average weight:

### REVENUES

- Admissions (15%)
- Rentals & Events (15%)
- Food Service Concession (5%)
- Retail Concession (5%)
- Program Revenue (5%)
- Public Contributions (20%)
- Private Contributions (20%)
- Sponsorships (15%)

### EXPENSES

- Salaries, Wages & Benefits (40%)
- Occupancy & Maintenance (18%)
- Programs (17%)
- Exhibitions & Conservation (15%)
- Marketing & Development (5%)
- General & Administrative (5%)

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# AACC MAIN EXPENSE CATEGORIES

## Staffing Costs: Salaries, Wages and Benefits

- Staffing Costs are the largest single operating cost category. Usually between 45%-55% of total operating costs
- Therefore, any savings in this area have the largest impact on the financial model. Having a lean and versatile HR structure and support from a pool of volunteers will be key
- Average salary per FTE = \$56,000 as per benchmarks.
- Average benefits projected at 28% over salary.



# AACC MAIN EXPENSE CATEGORIES

## Cultural and Educational Programming Costs

- Highly variable depending on the actual activities carried out at AACC. It is not possible to estimate these accurately at present without having a “Program Plan” in place. Estimates based on benchmarks
- Costs may include: materials, facilitator fees (in the case of workshops or training sessions), artist fees (in the case of performances), purchase of licenses and software, etc.



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# AACC MAIN EXPENSE CATEGORIES

## Occupancy and Maintenance Costs

- Building related costs tend to be the second largest operating cost, at around 20% or more of the budget
- The larger the facility the costlier it will be to maintain (environmental standards, renovations, electricity) and to control (security, cleaning, information staff). **Rightsizing** will be key to the project
- Occupancy costs can be projected using a \$/sqf ratio from comparables



# AACC MAIN EXPENSE CATEGORIES

## Exhibition Costs

- Temporary exhibitions: rental fees (if any), graphic design, transportation, installation and dismount, etc
- Permanent exhibitions: exhibition maintenance, conservation of artefacts, rotation of displays, etc
- Highly variable depending on the actual exhibitions calendar of AACC (for example, number of exhibitions on show per year and type).

# SUMMARY EXPENSES & BREAK EVEN

Summary of Attendance, Operating Revenue and Expense Projections	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %
<b>Projected Operating Expenses</b>						
Salaries, Wages, Benefits	\$1,218,560	\$1,255,118	\$1,291,675	56.8%	57.1%	57.0%
Occupancy	\$340,000	\$340,000	\$340,000	15.8%	15.5%	15.0%
Exhibitions	\$55,000	\$80,000	\$80,000	2.6%	3.6%	3.5%
Public and Educational Programs	\$130,200	\$106,875	\$120,000	6.1%	4.9%	5.3%
Collections Care	\$2,000	\$2,000	\$2,000	0.1%	0.1%	0.1%
General and Administrative	\$170,598	\$163,165	\$167,918	8.0%	7.4%	7.4%
Marketing	\$105,400	\$127,680	\$139,200	4.9%	5.8%	6.1%
Retail Cost of Goods Sold	\$23,870	\$23,513	\$26,400	1.1%	1.1%	1.2%
Contingency	\$100,000	\$100,000	\$100,000	4.7%	4.5%	4.4%
<b>Total Expenses</b>	<b>\$2,145,628</b>	<b>\$2,198,351</b>	<b>\$2,267,193</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Amount Required from External and Private Sources to Break Even on Operations Each Year</b>	<b>(\$1,470,978)</b>	<b>(\$1,470,876)</b>	<b>(\$1,445,293)</b>	<b>-69.5%</b>	<b>-68.7%</b>	<b>-66.4%</b>



# MAIN EARNED REVENUE CATEGORIES

## Admission Fees

- “Perceived value”

### LOW ADMISSION FEES - PROS

- Wide access for all income levels
- Perception of ownership, public venue, cultural rights
- Repeat visitation is encouraged

### LOW ADMISSION FEES - CONS

- Low perception of value and respect towards the experience
- Overcrowding
- Low potential for revenue generation from admissions

### HIGH ADMISSION FEES - PROS

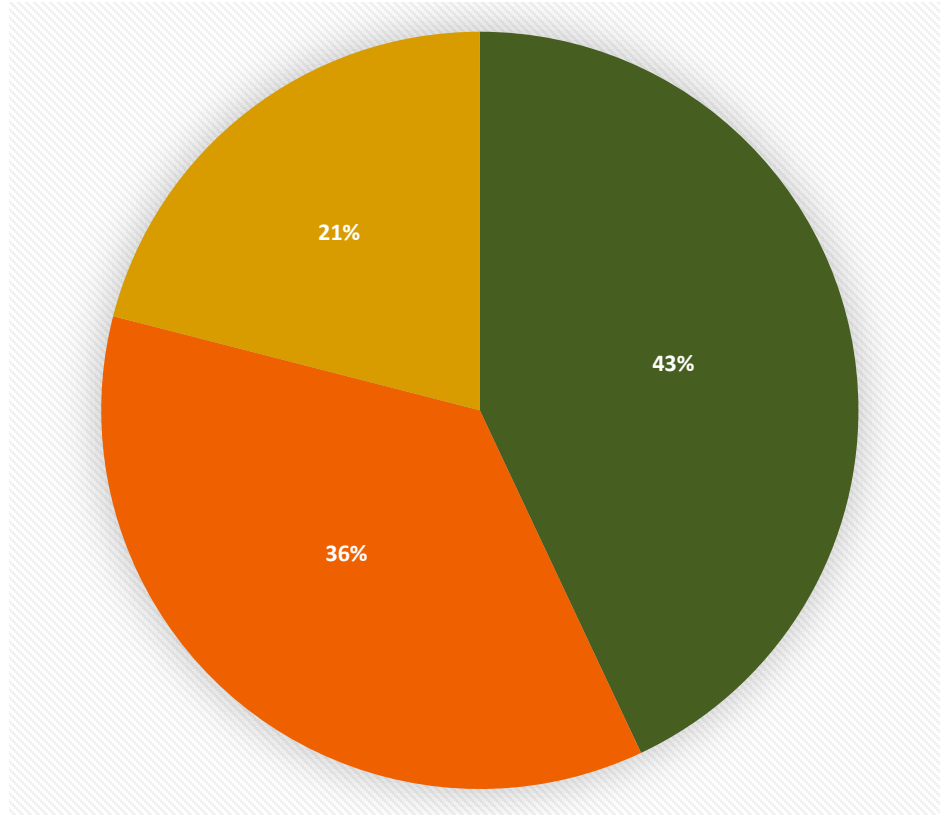
- High potential for revenue generation from admissions
- High perception of value and respect towards the experience
- Control of overcrowding

### HIGH ADMISSION FEES - CONS

- Barrier to access by low income groups
- Lack of ownership, limitation of cultural access
- Competing options may be more appealing at high price ranges



# AFRICAN AMERICAN BENCHMARKS



- According to last comprehensive survey of Association of African American Museums, the average sources of operating income for African American Museums is:

- 43% private/endowment
- 36% earned
- 21% from government sources.

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# AACC FINANCIAL PROJECTIONS

## Funding Structure: Types and Expectations

- Contributed Revenue / Private? → Pursue
- Earned Revenue? → Pursue
- Sponsorships? → Pursue
- Program related Grants? → Pursue
- Government subsidy? → Unlikely
- Endowment Revenue? → Unlikely

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# MAIN EARNED REVENUE CATEGORIES

## Admission Fees (tentative)

- General Admission: \$10
- Discounted Admission: \$6
- Annual Membership: \$40

## Events and Rental Fees

- Museums and cultural institutions offer spaces for hire, like lobby, café, events space, amphitheatre, even exhibition galleries
- Revenue is usually projected based on a \$/sqf fee for a rental period of half a day or full day (times # of rentals), as per benchmarks

# AACC SUMMARY OF REVENUES

Summary of Attendance, Operating Revenue and Expense Projections	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %
Annual Attendance	62,000	57,000	60,000			
Projected Operating Revenues						
Admissions	\$382,850	\$351,975	\$370,500	17.8%	16.0%	16.3%
Retail Sales	\$43,400	\$42,750	\$48,000	2.0%	1.9%	2.1%
Venue Rental, Catering Commission, Café (net)	\$120,000	\$140,000	\$160,000	5.6%	6.4%	7.1%
Membership	\$20,000	\$40,000	\$50,400	0.9%	1.8%	2.2%
Educational and Public Programs	\$43,400	\$42,750	\$48,000	2.0%	1.9%	2.1%
Fundraising Event (net)	\$30,000	\$50,000	\$60,000	1.4%	2.3%	2.6%
Other Earned Income	\$15,000	\$20,000	\$25,000	0.7%	0.9%	1.1%
Program Grants (Target)	\$20,000	\$40,000	\$60,000	0.9%	1.8%	2.6%
<b>Total Revenue Projected</b>	<b>\$674,650</b>	<b>\$727,475</b>	<b>\$821,900</b>	<b>30.5%</b>	<b>31.3%</b>	<b>33.6%</b>



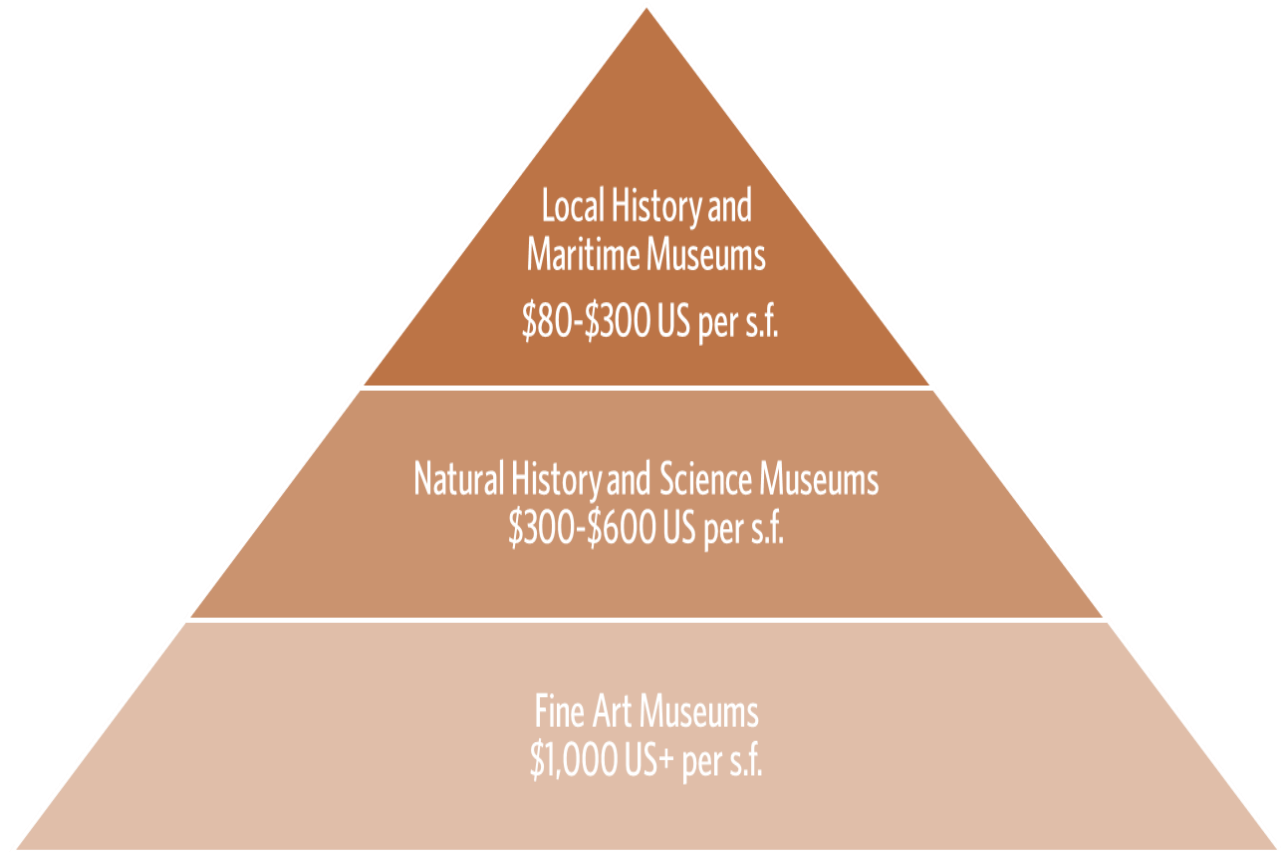
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# **7 CAPITAL COSTS (A FIRST APPROACH)**

# CAPITAL COSTS

## Construction Cost Ranges

Local museums and cultural centers are in the lower end of the range, as they don't require such strict environmental standards or iconic buildings as Art Museums, nor the high tech required by Science Centers



Source: *Manual of Museum Planning*. Lord, Lord & Martin, 2012



# CAPITAL COSTS

## Cost Distribution

- Hard construction costs amount to approximately 65% of the capital costs of building projects in North America
- Soft costs include design and consulting fees, feasibility studies, ramp-up costs and any non-construction costs
- “Starchitects” can increase construction costs by approximately 50%.



# CAPITAL COSTS

## AACC Capital Costs High Level Estimate Scenarios

Size of the Facility	Construction Costs Low \$95/sqf + 35%	Construction Costs Avge \$226/sqf + 35%	Construction Costs High \$357/sqf + 35%
20,000 sqf	\$2.9M	\$6.9M	\$11.0M
40,000 sqf	\$5.8M	\$13.9M	\$22.2M





8

**BRINGING IT ALL  
TOGETHER**



# SUMMARY

## This Institutional Plan projects that AACC will...

- Have an Operating Budget per year of around \$2.2M
- Require 17 FTEs to operate, supported by volunteers
- Be visited by around 60,000 people per year
- Be able to generate a third of its revenue through earned revenue sources. The remaining 66% will need to be covered by external sources, including contributions, donations and sponsors
- AACC Capital Costs High Level Estimate Scenarios:  
20,000 to 40,000 sf, will cost \$11-22.2 Mil\*

Note: All projections in this Study are for an assumed facility of 40,000 sqf. Changes to the size of the facility will result in changes to all other parameters.

\* Using the RSMeans historical cost index



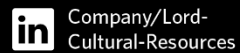
# NEXT STEPS

- Institutional Foundation documents – CA public benefit corporation and IRS exemption (501c3)
- Fundraising and communications strategy and implementation
- Content/program strategy and ongoing community engagement



# THANK YOU

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